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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

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WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

DOCKETED BY

*MMY*

IN THE MATTER OF THE APPLICATION OF  
WILHOIT WATER COMPANY, INC., YAVAPAI  
MOBILE HOME ESTATES SYSTEM, FOR  
RETROACTIVE APPROVAL OF A FINANCING  
APPLICATION.

DOCKET NO. W-02065A-07-0308

IN THE MATTER OF THE APPLICATION OF  
WILHOIT WATER COMPANY, INC., YAVAPAI  
MOBILE HOME ESTATES SYSTEM, FOR  
APPROVAL OF A FINANCING APPLICATION.

DOCKET NO. W-02065A-07-0309

IN THE MATTER OF THE APPLICATION OF  
WILHOIT WATER COMPANY, INC., YAVAPAI  
MOBILE HOME ESTATES SYSTEM, FOR  
APPROVAL OF A PERMANENT RATE  
INCREASE.

DOCKET NO. W-02065A-07-0311

RATE CASE  
PROCEDURAL ORDER

**BY THE COMMISSION:**

On May 21, 2007, Wilhoit Water Company, Inc., Yavapai Mobile Home Estates System ("Applicant" or "Company") filed with the Arizona Corporation Commission ("Commission") the following applications: an application requesting approval of financing in the amount of \$10,000 in Docket No. W-02065A-07-0308; an application requesting retroactive approval of financing in the amount of \$36,105 in Docket No. W-02065A-07-0309; and an application requesting approval for a permanent rate increase in Docket No. W-02065A-07-0311.

On June 20, 2007, pursuant to A.A.C. R14-3-103, the Commission's Utilities Division ("Staff") issued a Notice of Insufficiency to the Company with respect to its rate application.

On September 10, 2007, pursuant to A.A.C. R14-3-103, Staff issued a Notice of Sufficiency that the Company's rate application was sufficient and classifying the Company as a Class D utility.

On October 23, 2007, by Procedural Order, the above-captioned proceedings were consolidated for further disposition by the Commission and it was further ordered that public

comment on the above-captioned proceedings would be held at the Chino Valley Town Hall Council Chambers in Chino Valley, Arizona on December 11, 2007.

On November 7 and 14, 2007, the Company published notice of the public comment hearing in a newspaper of general circulation in Yavapai County, Arizona.

On November 9, 2007, Staff filed its report with respect to the Company's applications wherein Staff recommended approval of its rates and charges and further recommended the authorization of an arsenic cost recovery mechanism ("ACRM") to enable the Company to recover the costs of arsenic remediation and to deny the Company's two requests for Commission approval to refinance existing debt to the Applicant's parent corporation.

On November 19, 2007, the Company filed exceptions to the Staff Report indicating that it objected to Staff's recommendation with respect to its request for an increase in water rates and for its financing applications.

On December 11, 2007, the Commission held a public comment hearing at the Chino Valley Town Hall Council Chambers in Chino Valley, Arizona.

Accordingly, a hearing should be scheduled with respect to the applications, and, pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matters shall commence on **March 14, 2008**, at 9:30 a.m., or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **February 22, 2008**.

IT IS FURTHER ORDERED that any **evidence and/or associated exhibits** to be presented at hearing on behalf of intervenors shall be reduced to a written summary and filed on or before **February 29, 2008**.

IT IS FURTHER ORDERED that any **rebuttal evidence and/or associated exhibits** to be presented at hearing by the Company shall be reduced to a written summary and filed on or before

1 **March 5, 2008.**

2 IT IS FURTHER ORDERED that any surrebuttal evidence and/or associated exhibits to be  
3 presented by the Staff and/or intervenors shall be presented orally at the hearing.

4 IT IS FURTHER ORDERED that any substantive corrections or revisions shall be reduced to  
5 writing and filed no later than five days before the witness is scheduled to testify.

6 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the Rules and  
7 Regulations of the Commission except that any objection to discovery requests shall be made within  
8 seven days of receipt and responses to discovery requests shall be made within ten days of receipt.<sup>1</sup>

9 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by  
10 the Commission within ten days of the filing date of the motion shall be deemed denied.

11 IT IS FURTHER ORDERED that any responses to motions shall be filed within five days of  
12 the filing date of the motion.

13 IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date  
14 of the response.

15 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in  
16 this matter, in the following form and style:

17 **PUBLIC NOTICE OF HEARING ON THE RATE AND FINANCING**  
18 **APPLICATIONS OF WILHOIT WATER COMPANY, INC.,**  
**YAVAPAI MOBILE HOME ESTATES SYSTEM.**  
19 **(DOCKET NOS. W-02065A-07-0308, W-02065A-07-0309**  
**and W-02065A-07-0311)**

20 On May 21, 2007, Wilhoit Water Company, Inc., Yavapai Mobile Home Estates  
21 System ("Company") filed applications with the Arizona Corporation Commission  
22 for an increase in its rates and charges, and for financing approval. Copies of the  
Company's applications and proposed tariffs are available at its office and the  
Commission's offices for public inspection during regular business hours.

23 The Commission will hold a public hearing on this matter beginning **March 14,**  
24 **2008, at 9:30 a.m.** at the Commission's offices, 1200 West Washington Street,  
Phoenix, Arizona. Public comments will be taken on the first day of the hearing.

25 The law provides for an open public hearing at which, under appropriate  
26 circumstances, interested parties may intervene. Intervention shall be permitted to  
27 any person entitled by law to intervene and having a direct and substantial interest in  
the matter. Person's desiring to intervene must file a written motion to intervene with  
the Commission no later than **February 22, 2008.** The motion to intervene must be

28 <sup>1</sup> "Days" means calendar days.

1 sent to the Company or its counsel and to all parties of record, and shall contain the  
2 following:

- 3 1. The name, address, and telephone number of the proposed intervenor  
4 and or any party upon whom service of documents is to be made if  
5 different from the intervenor.
- 6 2. A short statement of the proposed intervenor's interests in the  
7 proceeding (e.g., a customer of the Company, a shareholder of the  
8 company, etc.).
- 9 3. A statement certifying that a copy of the motion to intervene has been  
10 mailed to the Company or its counsel and to all parties of record in the  
11 case.

12 The granting of intervention, among other things, entitles a party to present sworn  
13 evidence at the hearing and to cross-examine other witnesses. However, failure to  
14 intervene will not preclude any interested person or entity from appearing at the  
15 hearing and providing public comment on the application or from filing written  
16 comments in the record of the case. You will not receive any further notice of this  
17 proceeding unless you request it.

18 If you have questions about this application, or want further information on  
19 intervention, you may contact the Consumer Services Section of the Commission at  
20 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

21 The Commission does not discriminate on the basis of disability in admission to its  
22 public meetings. Persons with a disability may request a reasonable accommodation  
23 such as a sign language interpreter, as well as request this document in an alternative  
24 format, by contacting Linda Hogan at [LHogan@azcc.gov](mailto:LHogan@azcc.gov), voice phone number (602)  
25 542-3931. Requests should be made as early as possible to allow time to arrange the  
26 accommodations.

27 IT IS FURTHER ORDERED that the Company shall provide notice as follows:

- 28 • by **publishing by January 31, 2008**, a copy of the above notice in a newspaper of  
general circulation in the service area; and
- by **mailing by February 7, 2008**, a copy of the above notice to each of its  
customers.

IT IS FURTHER ORDERED that the Company shall file certification of the provision of  
notice as soon as practicable after notice has been completed.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing/publishing  
of same, notwithstanding the failure of an individual customer to read or receive the notice.

IT IS FURTHER ORDERED that, pursuant to A.A.C. R14-2-103, the time-frame on the rate  
application shall be suspended until further order.

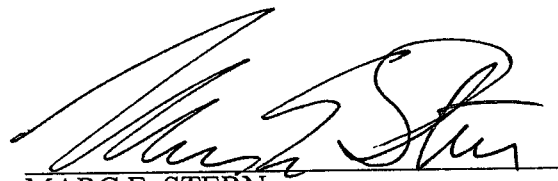
IT IS FURTHER ORDERED that the ex parte rule (A.A.C. R14-3-113—Unauthorized  
Communications) applies to this proceeding and shall remain in effect until the Commission's  
Decision in this matter is final and non-appealable.

1 IT IS FURTHER ORDERED that the time period specified herein shall not be extended  
2 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

3 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the  
4 Rules of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law  
5 and admission *pro hac vice*.

6 IT IS FURTHER ORDERED that the Presiding Administrative Law Judge may rescind, alter,  
7 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by  
8 ruling at hearing.

9 DATED this 17<sup>th</sup> day of January, 2008.

  
MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

14 Copies of the foregoing mailed/delivered  
this 4<sup>th</sup> day of January, 2008 to:

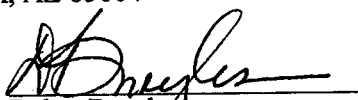
15 Jim West  
16 WEST & COMPANY, L.L.C  
16 365 East Coronado Road, Suite 200  
17 Phoenix, Arizona 85004

18 WILHOIT WATER COMPANY  
18 901 South First Street  
19 Clarkdale, Arizona 86324

20 Christopher Kempley, Chief Counsel  
20 Legal Division  
21 ARIZONA CORPORATION COMMISSION  
21 1200 West Washington Street  
22 Phoenix, AZ 85007

23 Ernest G. Johnson, Director  
23 Utilities Division  
24 ARIZONA CORPORATION COMMISSION  
24 1200 West Washington Street  
25 Phoenix, AZ 85007

26 ARIZONA REPORTING SERVICE, INC.  
26 2200 North Central Avenue, Suite 502  
27 Phoenix, AZ 85004

28 By:   
Debra Broyles  
Secretary to Marc E. Stern